

## Federal Acquisition Circular 2005-41

### Summary of Final Rule

#### Project Labor Agreements

This final rule amends Parts 22 and 52 of the FAR to implement Executive Order (EO) 13502, Use of Project Labor Agreements (PLA) for Federal Construction Projects. The final rule encourages Federal agencies to consider the use of PLAs on a project-by-project basis on large-scale construction projects, such projects defined as at least \$25,000,000 in total project cost.

Under the EO and final rule, a PLA, which is a pre-hire collective bargaining agreement on construction projects must, among other things: bind all contractors and subcontractors engaged in construction on the construction project to comply with the project labor agreement for the life of the project; allow all contractors and subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements; contain guarantees against strikes, lockouts, and similar job disruptions; and contain effective, prompt, and mutually binding procedures for resolving labor disputes arising during the term of the project labor agreement.

The final rule encourages agency planners during acquisition planning to consider the use of PLAs. The rule also identifies a number of factors that agencies may consider to help them decide, on a case-by-case basis, whether the use of a PLA is likely to promote economy and efficiency in the performance of a specific construction project.

Finally, the final rule creates new solicitation provisions and contract clauses to be used when an agency makes a determination that a PLA will be required on a large-scale construction project. These provide agencies flexibility to require that: an offeror submit an executed PLA with its offer; an apparent successful offeror submit an executed PLA prior to contract award; or a contract awardee submit an executed PLA after contract award.